



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

MAR 24 1999

MEMORANDUM FOR BUREAU CHIEF PROCUREMENT OFFICERS

FROM: Theodore N. Carter *TNC*
Deputy Assistant Secretary (Management Operations)

SUBJECT: Treasury's *Success Partnerships* Mentor-Protege Program

I am pleased to announce that the Department of the Treasury recently entered into a Memorandum of Understanding with the Small Business Administration to implement Phase 1 of our *Success Partnerships* Mentor-Protege program.

Attached is the Procurement Instruction Memorandum outlining our implementation plan for this important initiative. Please join Secretary Rubin, Assistant Secretary Killefer and I in making this new program a tremendous success.

Attachment



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WASHINGTON, D.C. 20220

Procurement
Instruction
Memorandum
No. 99-6
Mar. 24, 1999

MEMORANDUM FOR BUREAU CHIEF PROCUREMENT OFFICERS

THROUGH: Kevin Boshears, Director *KB* &&+—
Office of Small Business Development

FROM: Annelie Kuhn, Acting Director *Ann Kuhn*
Office of Procurement

SUBJECT: Treasury/SBA Memorandum of Understanding for Phase 1
of Treasury's Success *Partnerships* Mentor-Protege Program

The purpose of this Procurement Instruction Memorandum is to provide guidance regarding the Memorandum of Understanding (MOU) that has been established between the Small Business Administration (SBA) and the Department of the Treasury. This MOU will facilitate the use of SBA approved mentor-protege participants for potential Treasury 8(a) requirements.

Attached for your implementation is a copy of the MOU along with a copy of approved SBA mentor-protege participants to date. A listing of participants will be available on SBA's web site (www.sba.gov) in the near future. Additionally, for your review, enclosed are two documents: an implementation plan describing Treasury's intentions for Phase 2 and Phase 3 of the *Success Partnerships* program; and a memorandum from Secretary Rubin to the Treasury Bureau Heads requesting their support of these small business initiatives.

The Office of Small Business Development is available to brief your staff on this initiative. Questions may be directed to Kevin Boshears on (202) 622-0376.

Attachments

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE U.S. SMALL BUSINESS ADMINISTRATION
AND
THE DEPARTMENT OF THE TREASURY**

I. BACKGROUND

Vice President Gore launched **ABusinessLINC@B** Learning, Information, Networking, and Collaboration **B** to coordinate and encourage business-to-business linkages that may improve the economic competitiveness of smaller firms particularly, those located in economically distressed areas. The Initiative's broad goal is to encourage more private sector business-to-business relationships in order to accelerate the success of business ventures. The Vice President asked Treasury Secretary Rubin and SBA Administrator Alvarez to lead the BusinessLINC Initiative.

II. PURPOSE

The purposes of this Memorandum of Understanding (MOU) between the U.S. Small Business Administration (SBA) and the Department of the Treasury (Treasury)(together the parties) are: to further the BusinessLINC initiative; to establish procedures for the parties to collaborate on Treasury's *Success Partnerships* mentor-protégé program; and to aid in developing 8(a) protégé firms by improving their ability to compete successfully for Treasury contracts, other government contracts, and commercial contracts.

III. SCOPE

This MOU will facilitate the award of contracts and purchase orders under the provisions of section 8(a) of the Small Business Act to participants approved by SBA for its mentor-protégé program.

This MOU encompasses competitive and noncompetitive acquisitions by Treasury accepted by the SBA into the 8(a) program, including, but not limited to: (1) the Acquisition of Commercial Items (FAR Part 12); (2) awards under the Simplified Acquisition Procedures (FAR Part 13); (3) awards resulting from Sealed Bids (FAR Part 14); (4) Contracting by Negotiation (FAR Part 15); and (5) Construction and Architect and Engineering services (FAR Part 36).

This MOU promotes the streamlined 8(a) procedures outlined in a previous MOU (dated May 6, 1998).

IV. RESPONSIBILITIES

A. SBA will:

1. Post and maintain a current listing of SBA's approved 8(a) mentor-protégé agreement participants on SBA's website, and if requested, provide a hard copy of the listing to Treasury's Office of Small Business Development;
2. Maintain the same level of confidentiality for information made available under this MOU as is required of the parties under law, including but not limited to the Privacy Act, 5 U.S.C. ' 552a, the Trade Secrets Act, 18 U.S.C. ' 1905, and the Procurement Integrity Act, 41 U.S.C. ' 423; and
3. Ensure that both the Mentor and Protégé meet the eligibility requirements to participate in the program.
4. Provide Treasury's Office of Small Business Development with measurement data, as required in the annual business plan update. (13 CFR ' 124.520(f)).

B. Treasury will:

1. Identify requirements that will be reserved exclusively for participants approved by SBA's mentor-protégé program, after appropriate market research and advanced acquisition planning, including 8(a) procurements awarded under simplified acquisition procedures, 8(a) sole source procedures, and 8(a) competitive procedures; and
2. Disseminate the listing of eligible firms from the pool of current 8(a) mentor-protégé agreement participants, as provided by SBA, to all Treasury procurement offices.
3. Provide the number of contracts and total dollar amounts awarded under this initiative to SBA.
4. Determine the effectiveness of this MOU, by interpreting quantitative and qualitative data provided by the SBA in paragraph IV - 4 of this MOU. This will include an analysis of the quality of the technical capabilities of the protégé firm and the number and dollar value of contract and subcontract awards to protégé firms since their entry into the program.

V. TERM AND FUNDING

This MOU will take effect on the date of last signature and will remain in effect for a period of three years. The MOU may be extended for two years by written agreement of the parties.

This MOU shall not be used to obligate or commit funds or as the basis for the transfer of funds.

VI. AMENDMENT

This MOU may be amended at any time by written agreement of the SBA's AA/8(a)BD and Treasury's Senior Procurement Executive.

VII. TERMINATION

Either the SBA's AA/8(a)BD or Treasury's Senior Procurement Executive may terminate this MOU upon (30) days advance written notice to the other party.

VIII. ADMINISTRATION

The following persons are points of contact for administrative matters pertaining to this MOU:

Mr. Kevin Boshears
Director, Office of Small Business Development
Department of the Treasury
Attn: 1310 G Street NW, Ste. 400 West-MMD
1500 Pennsylvania Avenue, NW
202-622-0376

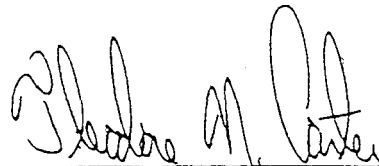
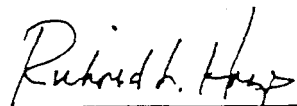
Mr. Jose Gutierrez
Associate Administrator
8(a) Business Development
U.S. Small Business Administration
409 3rd Street, S.W. B 8th Floor
Washington, DC 20220
202-205-6412

IX. ACCEPTANCE

The signers of this MOU represent that they have the authority to make such commitments on behalf of their respective organizations.

The undersigned parties hereby accept the terms of this MOU:

The undersigned parties hereby accept the terms of this MOU :

  3/4/99 3/3/99

Theodore N. Carter Date
Deputy Assistant Secretary
(Management Operations)
Department of the Treasury

Richard L. Hayes Date
Associate Deputy Administrator
Office of Government Contracting
and Minority Enterprise Development
U.S. Small Business Administration

MENTOR PROTÉGÉ AGREEMENTS

District Office	Mentor	Protégé	Approved
1. Portland	Benge Construction	Veraz Construction	01/21/99
2. Georgia	Omega Environ.	NTC Group	01/21/99
3. San Antonio	H.B. Zachary Co.	ARCO Technologies	01/21/99
4. Baltimore	System Eng. & Mgmt.	New Concept, Inc.	01/21/99
5. San Antonio	J.T. Construction	Amigo Building Corp.	01/21/99
6. Nashville	Systems Resource	Info Tech Resource	Incomplete
7. Washington	H.J. Ford Associates, Inc.	HMR Technology and Management Group, Inc.	02/24/99
8. Georgia	Meridian Management Corp.	Urban Services Group	02/26/99
9. Baltimore	McNeil Technologies, Inc.	Integrated Resources Technologies, Inc.	03/10/99

SUCCESS PARTNERSHIPS

The U.S. Department of the Treasury Mentor-Protégé Program (Three-Phase Approach)

A Summary Document

Program Purpose *Success Partnerships* is a voluntary program designed to:

- \$ provide small business development opportunities consistent with the lessons learned in the BusinessLINC initiative
- \$ increase the participation of small businesses, small disadvantaged businesses, women-owned small businesses, and small businesses in historically underutilized business zones (HUBZone) as Treasury contractors and subcontractors
- \$ provide developmental opportunities in conjunction with the SBA's Mentor-Protégé and 8(a) programs
- \$ provide non-monetary incentives to Treasury prime contractors to provide developmental assistance that will enhance the capabilities of small businesses
- \$ foster the establishment of long-term business relationships between small companies and larger prime contractors

The Department of Treasury is sponsoring a three-phase approach to *Success Partnerships* to be piloted over a three-year period:

Phase 1 (FY 1999): features a Treasury/SBA partnership in which firms already designated by the SBA as 8(a) contractors serve as Treasury prime contractors. Under this phase, the 8(a) prime contractor would be mentored by its partner, typically a much larger firm.

Phase 2 (FY 2000): features a mentor-protégé program (similar to those in place at other federal agencies) with agreements between a large or small prime contractor mentor and an eligible small business protégé.

Phase 3 (FY 2001): focuses on small businesses located in economically distressed areas based on the application of the federal HUBZone procurement program to Treasury, as mandated by statute, on September 30, 2000 (to be incorporated into the programs cited in Phases 1 and 2).

Treasury Benefits

Benefits to the Department of the Treasury include, but are not limited to: acquiring an expanded base of qualified small businesses; obtaining more competitive pricing on procurement opportunities resulting in cost savings; and achieving a potential increase in small business program goal accomplishments.

Phase 1: features a Treasury/SBA partnership to use the 8(a) program and SBA's mentor-protégé program for developing 8(a) firms.

- (a) Phase 1 will be implemented through a Memorandum of Understanding between Treasury and SBA.
- (b) The SBA/Treasury *Success Partnerships* Phase 1 program is designed to encourage approved mentors to provide various forms of assistance to eligible participants. This assistance may take the form of technical and/or management assistance; financial assistance in the form of equity investments and/or loans, as well as assistance in performing prime contracts with Treasury in the form of joint venture arrangements. The purpose of the SBA/Treasury *Success Partnerships* relationship is to enhance the capabilities of small companies, and to improve their ability to compete successfully for contracts with Treasury. *Primarily, Phase 1 serves as a prime contracting assistance tool.*

Measurement of Program Success for Phase 1

Program performance will be measured by:

- (1) An increase in the quality of the technical capabilities of the protégé firm.
- (2) An increase in the number and dollar value of contract and subcontract awards to protégé firms since the time of their entry into the program (under Treasury contracts, contracts awarded by other Federal agencies and commercial contracts.)
- (3) An increase in protégé contracting and subcontracting activity in industry categories in which these firms have not traditionally participated.
- (4) In accordance with SBA's procedures, the 8(a) protégé firm shall submit to SBA an evaluation of its mentor-protégé relationship as part of its annual business plan with a copy to Treasury's Office of Small Business Development.

Phase 2: features a mentor-protégé program (similar to those in place at other federal agencies) with agreements between a large or small prime contractor/mentor and an eligible small business protégé.

- (a) Phase 2 will be implemented through a Treasury supplement to the FAR. This is a formal rule making process requiring notice in the Federal Register, opportunity for public comment, review by the Federal Acquisition Council and publication as a final regulation in the Federal Register.
- (b) Proposals submitted by *Success Partnerships* teams in response to a Treasury solicitation will be eligible for some evaluation points as part of the subcontracting plan evaluation in accordance with applicable SBA subcontracting regulations. A source selection evaluation factor or subfactor may be added to benefit small disadvantaged businesses (SDBs) in competitive negotiated procurements in the SIC Major Groups as provided in federal procurement changes effective January 1, 1999. *Primarily, Phase 2 serves as a subcontracting assistance tool.*

Special Requirements for Phase 2

Application and Agreement Processes

Firms interested in becoming a mentor firm must apply in writing to the Department of the Treasury's Office of Small Business Development. The proposed process for mentor-protégé participation will be outlined in the Federal Register announcement.

Measurement of Program Success for Phase 2

Program performance will be measured by:

- (1) An increase in the quality of the technical capabilities of the protégé firm.
- (2) An increase in the number and dollar value of contract and subcontract awards to protégé firms since the time of their entry into the program (under Treasury contracts, contracts awarded by other Federal agencies and commercial contracts.)
- (3) An increase in protégé contracting and subcontracting activity in industry categories in which those firms have not traditionally participated.

Additionally, a written Lessons learned report will be required from mentor-protégé participants, with details outlined in the Federal Register announcement.

Phase 3: features a focus on small businesses located in distressed areas based on Treasury's anticipated participation in the federal HUBZone procurement program on September 30, 2000 (to be incorporated into the programs cited in Phases 1 and 2).

The HUBZone procurement program will be incorporated into the program on September 30, 2000. Phases 1 and 2 will continue.

In Phase 3, Phase 1 procedures will continue with an emphasis placed on 8(a) firms located in HUBZones.

In Phase 3, Phase 2 procedures will continue with an emphasis on protégé firms located in HUBZones.



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

SECRETARY OF THE TREASURY

March 16, 1999

MEMORANDUM FOR BUREAU HEADS

FROM: Robert E. Rubin *R. E. Rubin*
SUBJECT: Treasury's Small Business Initiatives

In December, Vice President Gore announced BusinessLINC, a new partnership between the federal government and America's business community to encourage large businesses to work with small business owners and entrepreneurs, especially in America's cities and in economically distressed areas. In support of **BusinessLINC**, Treasury created the *Success Partnerships* initiative to assist small businesses through a new procurement mentor-protege program. I encourage you to support both these programs.

In today's economy, small businesses need technical advice and assistance, access to resources and business networks necessary to compete successfully. The goal of *Success Partnerships* is to help smaller firms, especially those located in economically distressed areas, compete for Treasury contracts. Deputy Assistant Secretary for Management Operations Ted Carter will be contacting your chief procurement officer with the implementation plan for *Success Partnerships*.

You can support these initiatives by taking **an** active role in your bureau small business program. For example, you may:

- 1) review your existing procurement structure to ensure that small business activities are supported at the highest level, including the Chief Financial Officer and Chief Information Officer;
- 2) identify preliminary opportunities for participation in the *Success Partnerships* mentor-protege program; and
- 3) issue a memorandum to your program, procurement, and small business personnel on the importance of meeting or exceeding your Fiscal Year 1999 small business procurement goals.

When you are contacted by Ted Carter and his staff, I hope you will work with them to identify specific ways your bureau can support these important initiatives.